

Voting rights policy



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Purpose

This policy is issued in accordance with Article 23 of the CSSF Regulation 10-4 and Article 37 of Commission Delegated Regulation (EU) 231/2013, which provide for the development of an adequate and effective strategy for determining when and how the voting rights attached to instruments held in the managed portfolios are to be exercised, to the exclusive benefit of the undertakings for collective investments (UCIs) concerned and their investors.

Scope and objective

The policy on proxy voting is subject to strict regulation and provides for the introduction of procedures for:

- monitoring of corporate actions;
- ensuring the exercise of voting rights;
- preventing or managing conflicts of interest arising from the exercise of voting rights.

The scope of this policy covers all undertakings for collective investments managed by FundPartner Solutions (Europe) SA.

Regulatory context

- Law of 17 December 2010 concerning undertakings for collective investment;
- CSSF regulation No. 10-4, transposing Commission directive 2010/43/EU of 1 July 2010 implementing directive 2009/65/EC of the European parliament and of the council as regards organisational requirements, conflicts of interest, conduct of business, risk management and content of the agreement between a depositary and a management company;
- Law of 12 July 2013 on alternative investment fund managers;
- Commission Delegated Regulation No 231/2013 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision;
- CSSF Circular 18/698 (Section 5.5.10).

General provisions

Delegation of voting rights to External Investment Managers

FundPartner Solutions (Europe) SA, acting as a management company in accordance with the provisions set out in chapter 15 of the Law of 17 December 2010 and acting as an alternative investment fund manager in accordance with the provisions of the Law of 12 July 2013, has delegated the portfolio management, of the UCIs managed, to external investment managers (hereafter “External Investment Managers”).

Contracts defining the roles and responsibilities of each of the parties are concluded with each External Investment Manager.

Article 394 of the CSSF Circular 18/698 specifies that: *“The use of a delegate’s strategy, where appropriate, is allowed provided that the investment fund managers incorporate under Luxembourg law (IFM) ensures during its initial due diligence and ongoing monitoring [...]that the delegate’s strategy complies with the provisions [of the applicable regulation].”* As such, FundPartner Solutions (Europe) SA has delegated the exercise of the voting rights to the External Investment Managers believing that, in general, the investment managers are best placed to exercise the portfolios’ voting rights in the way that is most beneficial for the UCIs and have access to all relevant information to do so.

It is left to the External Investment Manager’s discretion whether to vote for or against a proposed decision.

Initial Due Diligence

Before the contract with the External Investment Manager takes effect, an initial Due Diligence is conducted as part of which, inter alia, FundPartner Solutions (Europe) SA ensures that the External Investment Manager has, where appropriate, developed an adequate and effective strategy for determining when and how voting rights attached to instruments held in the managed portfolios are to be exercised. The delegate’s strategy must be to the exclusive benefit of the UCI concerned and its investors.

FundPartner Solutions (Europe) SA ensures also that the External Investment Manager has measures in place to prevent or manage any conflicts of interest arising from the exercise of voting rights

Ongoing Due Diligence

The External Investment Manager must exercise the voting right in accordance with the UCI’s investment policies and objectives. FundPartner Solutions (Europe) SA ensures that all new transactions, traded in favour of the UCI, are compliant with the

investment policies/objectives described in the UCI's prospectus.

The External Investment Manager will report, at least once a year, to FundPartner Solutions (Europe) SA on its exercise of proxy voting rights and provide the corresponding documentation.

In the event of a conflict of interests, with respect to the voting rights of the UCI, the External Investment Manager may ask FundPartner Solutions (Europe) SA for voting instructions.

If the External Investment Manager intends to modify or amend its voting right policy, it must inform FundPartner Solutions (Europe) SA before the new policy takes effect. Within the scope of its ongoing due diligence, FundPartner Solutions (Europe) SA reviews the External Investment Manager's voting rights policy.

Specific provisions

If the mandate is terminated, FundPartner Solutions (Europe) SA, may manage the portfolio of the UCI, on a temporary basis, to ensure the continuity of operations.

In this case, the decisions on voting rights will be taken by FundPartner Solutions (Europe) SA, on temporary basis. FundPartner Solutions (Europe) SA will monitor, independently, all the relevant corporate actions in relation to the UCI's voting rights and will ensure that the voting rights are exercised in accordance with the investment objectives and policy of the relevant UCI. The process must be documented in writing.

FundPartner Solutions (Europe) SA will prevent or manage any conflicts of interest arising from the exercise of voting rights in accordance with its Conflict of Interest Policy.

Final provisions

Disclosure

This policy is available to investors free of charge. The CSSF has the right to request a copy of this policy all times.

Entry into force

This policy enters into force with immediate effect.

Last review

December 2019

Validation

Management Committee, December 2019

Board of Directors, December 2019